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March 17, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

RECEIVED
MAR 17 1997

Re: Ex Parte Presentation
GN Docket 96-245

Dear Mr. Caton:

On Friday, March 14, 1997, Kristen Thatcher, Barbara Evans, Elaine McHale, Dennis Roth, Al Lewis and I met with Kerry Murray, Jamie Hedlund, Mark Uretsky, Doug Galbi and Joanna Lowry of the International Bureau, Larry Spiwak and Jim Earl of the Competition Division, Office of the General Counsel and Michael Pryor and Kalpak Gude of the Policy and Planning Division of the Common Carrier Bureau to review the attached presentation in the above-captioned docket.

Because the meeting was held late in the day, two copies of this Notice are being submitted on the following business day to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's rules.

Sincerely,

Judy Simonson

Attachment

cc: Kerry Murray
Jamie Hedlund
Mark Uretsky
Doug Galbi
Joanna Lowry
Jim Earl
Michael Pryor
Kalpak Gude
Larry Spiwak

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AT&T United Kingdom

Presented to the
Federal Communications Commission

14th March 1997

AT&T United Kingdom

UK Market Overview

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Market Size
- 58m Population
- 23.1m Households
- 1560 MNCs
- 1.6m Businesses

Economic Indicators
- GDP £623 bn
- 3rd largest economy in Europe
- Population growth 0.3%
- Growth in new business
- 630 MNC's headquartered in UK

Technology Development
- Fixed lines: 29m
- Cable: 1.9m subscribers
- Mobile: 7m subscribers
- Internet: 1.5m homes (4.5 by 2000)
- Radio Access :75K lines

South East England

35% of Economy
31% of Population
34% of Household income
36% of Businesses

UK Telecom Market

Market value: £18bn
Telecom services market: £14bn
4% of World market
15% of Western Europe
Largest bilateral to North America

Competition

Most competitive market in Europe
150 licenced operators

BT =	90% local	79% LD	66% IDD
Mercury =	3% local	13% LD	16% IDD
Others =	7% local	8% LD	18% IDD

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Market View

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Market Share

BT - 85%	MCL - 12%	Others 3%

The Major Players

GLOBAL	NATIONAL	REGIONAL
BT/MCI/Concert Global One AT&T/Unisource	BT, ACC, AT&T WorldCom, Mercury, Energis	Torch, MFS, Colt, Norweb Kingston, Scottish Telecom Cable Operators

Core Competencies & Key Themes

[redacted]

[redacted]

[redacted]

AT&T United Kingdom

AT&T's Business in the UK

- AT&T has made a large investment in the United Kingdom with:
  - more than 2,400 employees
  - an advanced intelligent network platform
  - full service provider
  - serving business and consumer markets
  - and exceptional customer care facilities

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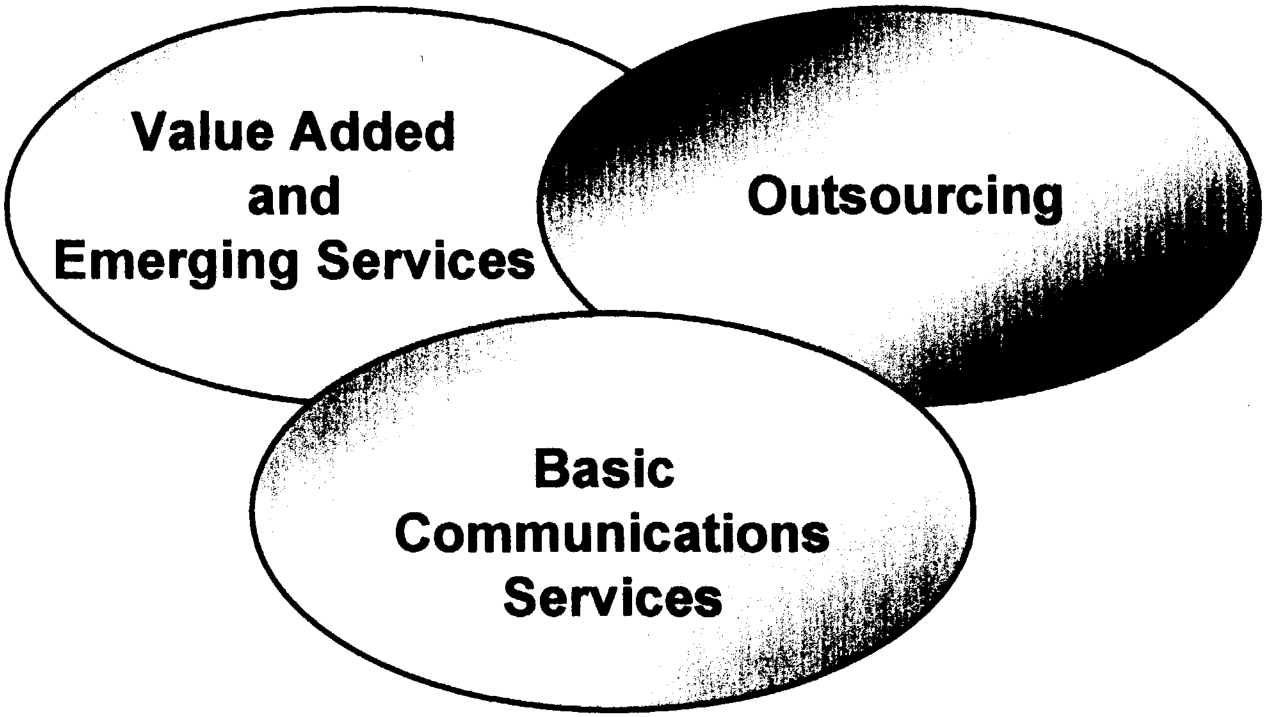
Business Areas



AT&T United Kingdom

Creating a Balanced Portfolio of Offers

AT&T

- Highly selected target segments
- Value focused while remaining competitively priced
- Differentiate through:
  - Truly excellent, personalised service
  - Globally seamless, end to end services
  - Simple, understandable pricing
  - Flexible billing and management reports
  - Integrated access and network management

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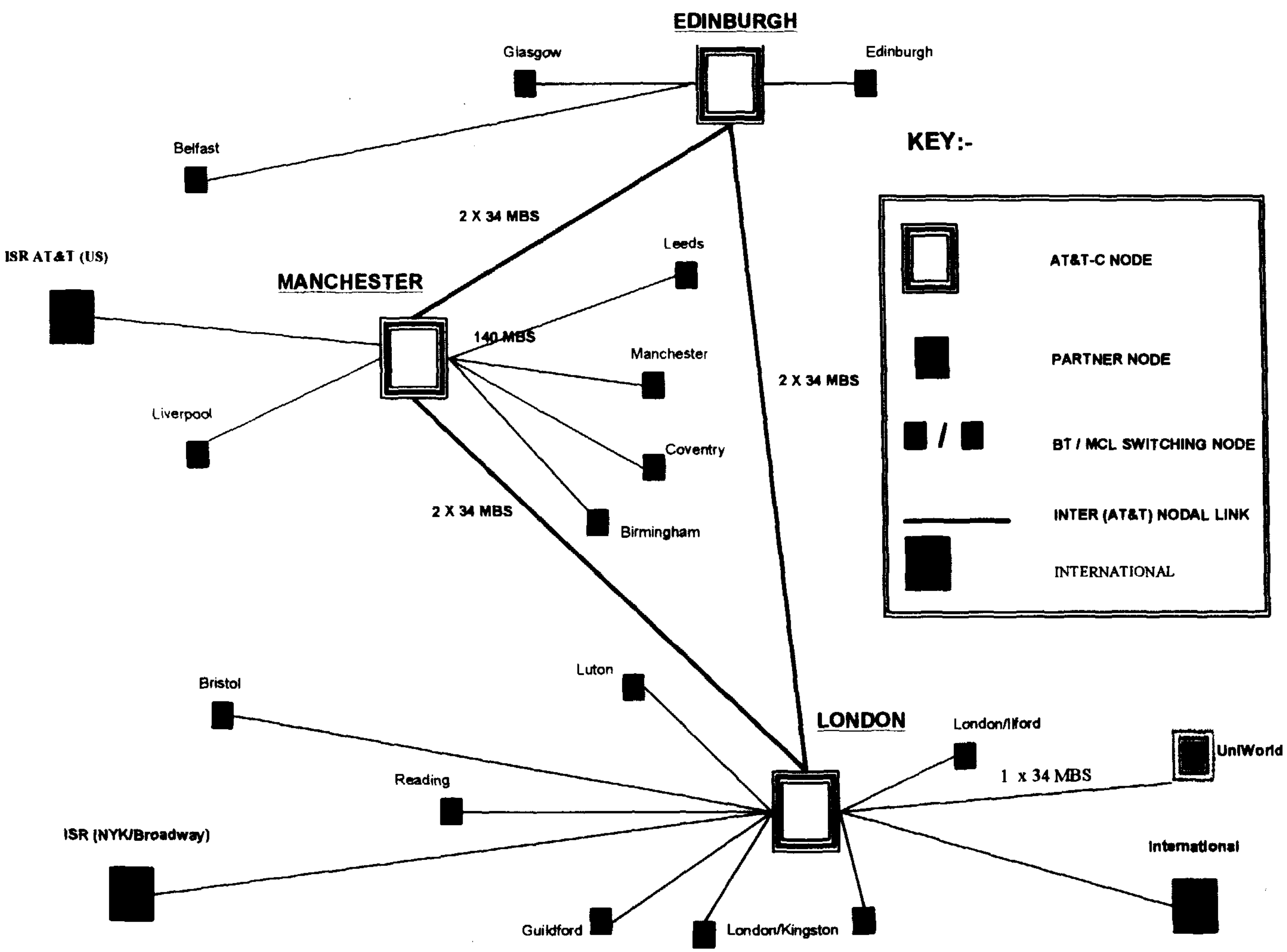
AT&T Communications UK Network



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Product Offers

AT&T

- In 1996 launched services across a whole spectrum of UK customer segments including global, corporate, medium business, small office/home office and consumer
- AT&T also services a number of other carriers and service providers
- Product launches for early 1997 will include video and audio conferencing, UK frame relay and Internet based services
- Pan-European offers in collaboration with Unisource included VNS and frame relay, data and voice communications and management and messaging services

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Market Access and Competition

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- *Don Cruickshank as Director General of OFTEL has rewritten many of the ground rules for interconnection*
  - Access Deficit Charges Removed
  - Standard Terms and Conditions
  - Plans for Incremental Pricing
  - Number Portability
  - Fair Trading Condition
  - Greater Transparency in Regulatory Process

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Market Access and Competition

(continued)

- *However barriers for new market entrants still remain*
  - Bottleneck nature of physical customer access
  - Access/intereconnection costs are 75% of revenues
  - Continued dominant position of BT
  - Weak competition laws and untested Fair Trading Condition

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Why Equal Access in the UK?

AT&T

- *Lifting barriers from indirect access need not be a trade off for continued infrastructure build*
  - Indirect access operators carry cost burdens and obstacles not borne by BT
  - Customers are being denied full range of benefits of new services and competitive choice
  - BT still retains 92% of local customer connections after thirteen years of competition
  - European Green Paper on Numbering recognises full equal access is essential for a competitive market

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International Facilities

- *The opening of International Facilities is positive but new competitors cannot match BT/MCI's dominant position*
  - Elements required to implement new licence
    - IRUs
    - Backhaul
    - Backbone switching augmentation
    - Physical interconnection links
    - Agreements with foreign operators

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Competitive Paradigms

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- There should be access for all customers to all operators and services
- There is a danger if detailed regulation is withdrawn before competition is achieved
- The BT/MCI dominant position in the UK domestic and international markets requires responsible conditions to be placed on the merger